

"Friction Reduction for Microhole Coiled Tubing Drilling"

Contract No. DE-FC26-05NT15485

Microhole Integration Meeting Houston, Texas November 16, 2005

Ed Smalley V.P. Business Development



Friction Reduction for Microhole CT Drilling

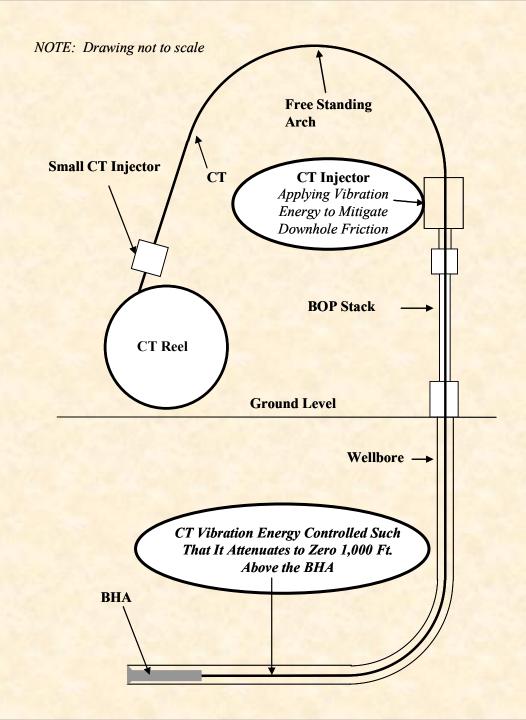
- Project Overview
- Progress Update Since August, 2005
- Next Steps



Project Overview

- Objective: Develop a Robust, Low-cost System to Mitigate Friction for Microhole CTD
 - Enable Microhole CTD to be utilized for long (3,000') horizontal sections
 - Eliminate the need for a <u>downhole</u> tractor/vibrator
- Project Duration: 24 months
 - Currently in month 10 of the project
 - Go/No @ conclusion of Phase 1 (month 12)

Microhole CTD Friction Reduction in Horizontal Wellbores





Project Deliverables

Phase 1 (month 1-12)

- CTD Vibration Propagation Model
 - Attenuation
- Vibration Test Fixture
- Validation of Model
- Conceptual Design of Surface Equipment
- Phase 1 Report
 - Technology Transfer

Phase 2 (month 13-24)

- Design Surface Equipment
- Fabricate Surface Equipment
- Component Testing of Surface Equipment
- Field Test Surface Equipment
- Phase 2/Final Report
 - Technology Transfer



Progress Since August, 2005

Friction Reduction for Microhole CT Drilling

- Fabrication of Vibration Test Fixture
 - "Simulated Wellbores"
 - "Split" CT reel
 - Microhole CT drilling strings
 - Data acquisition system
 - Basic system operation verified
 - CT Data acquired without vibration

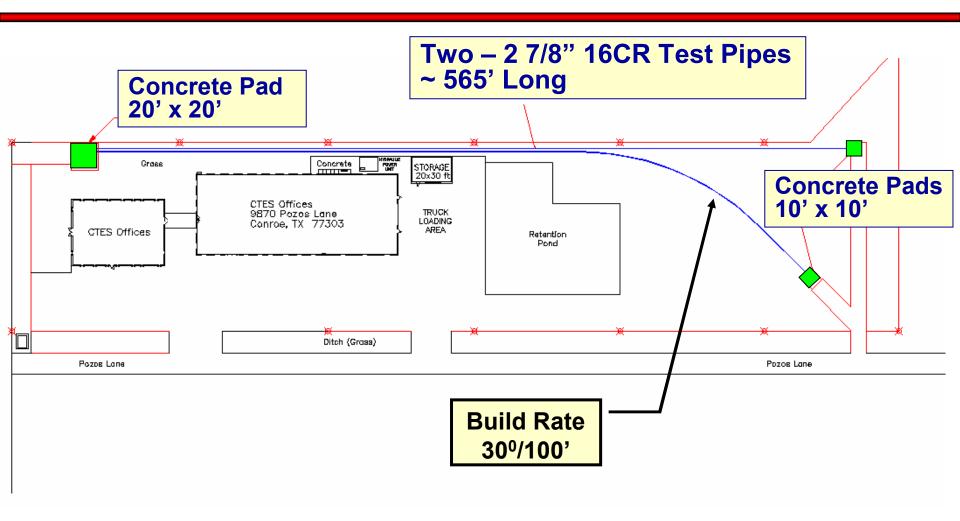


Background: Vibration Test Fixture

- Validation of Vibration Propagation Model
- Simulate Extreme Downhole Friction Effects for Horizontal CTD
 - Long length of 2-7/8" pipe for simulated horizontal wellbore, both ends accessible
 - Smaller CT strings (1" & 1-1/2") inserted
 - Sensors at each end of the simulated wellbore
 - "Surface" end of CT vibrated with varying amplitude, frequency and applied axial load



Schematic: Vibration Test Fixture





Simulated Wellbore Installation





Simulated Wellbore Installation



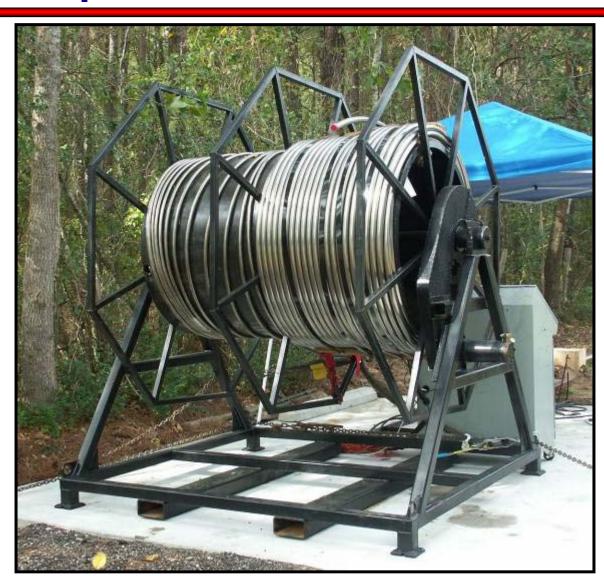


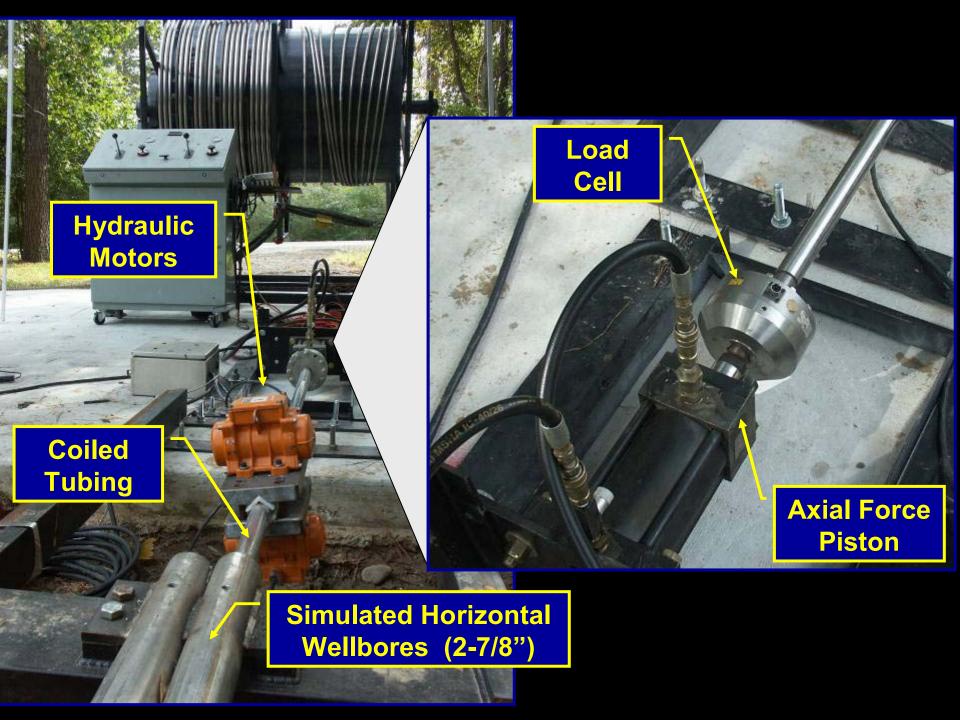
Vibration Test Fixture

Friction Mitigation Tests
Software Model Validation



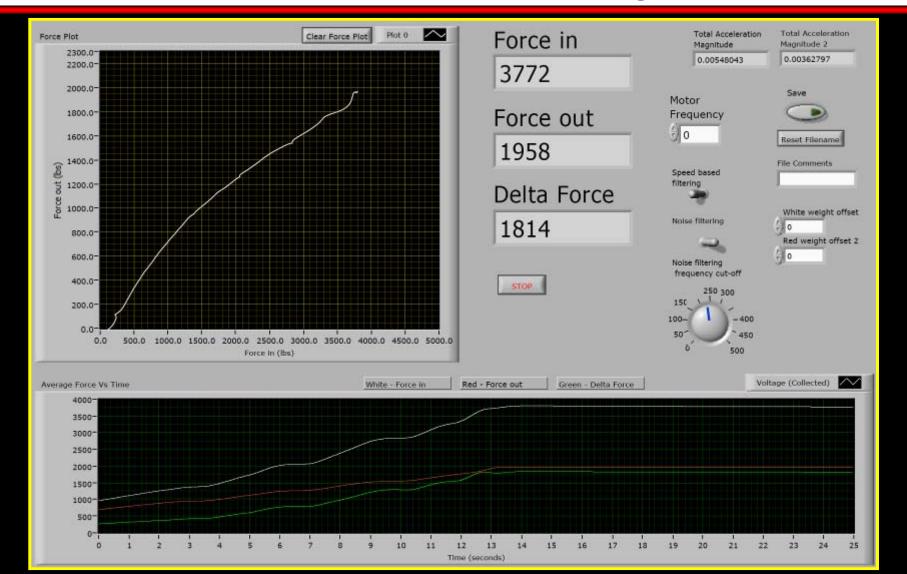
Vibration Test Fixture Split CT Reel on Test Pad







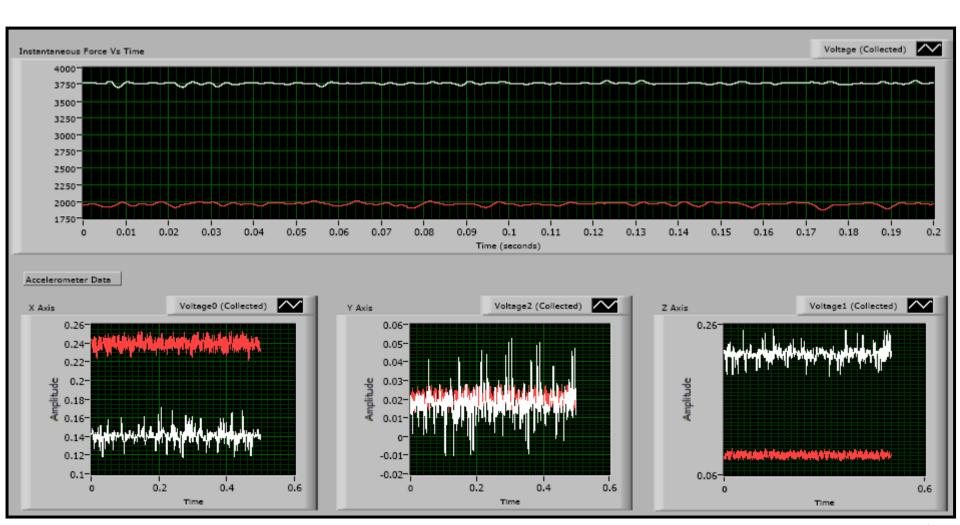
Vibration Test Fixture Data Acquisition System





Detailed Data Analysis

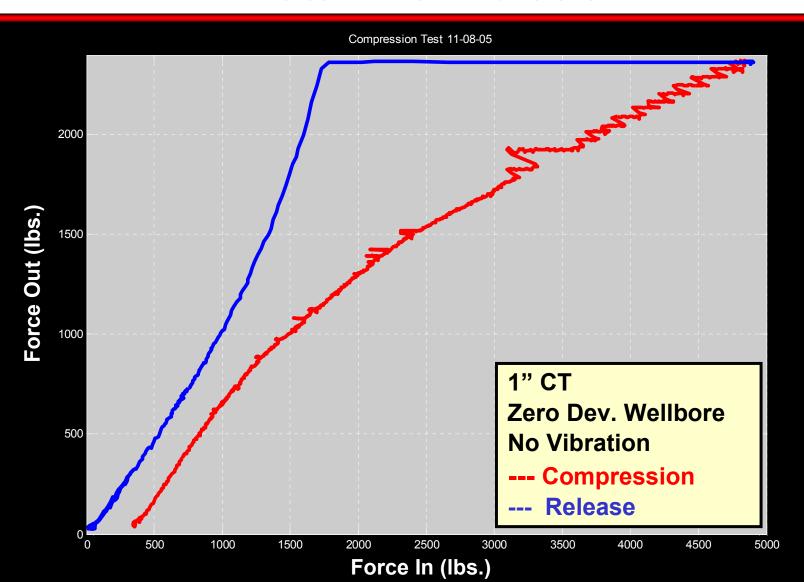
Instantaneous Force and Accelerometers





Vibration Test Fixture

Data: No Vibration





Future Activities & Milestones

Friction Reduction for Microhole CT Drilling

- Vibration Test Fixture Refinements
- Initiate CT Tests with Vibration (friction)
- Validate Vibration Attenuation Model
- Identify Appropriate Vibration Mode for Friction Reduction
- Conceptual Design of Vibration Equipment



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